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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte WILLIAM A. LYONS

Appeal 2014-006815
Application 13/207,664
Technology Center 3600

Before BIBHU R. MOHANTY, MICHAEL C. ASTORINO, and AMEE A. SHAH, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellant seeks our review under 35 U.S.C. § 134 of the final rejection of claims 1, 2, 6–9, 11–17, and 19–28 which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

SUMMARY OF THE DECISION

We AFFIRM.

THE INVENTION

The Appellant's claimed invention is directed to a real estate investment system and method (Spec., para. 1). Claim 1, reproduced below with the numbering in brackets added, is representative of the subject matter on appeal.

> 1. A method of controlling a commerce system, comprising:
>
> [1] collecting property information related to multiple investment property assets from members of the commerce system;
>
> [2] storing the property information in a database;
>
> [3] determining a plurality of sale transaction values for the investment property assets based upon the property information stored in the database;
>
> [4] determining a plurality of key investment indicators including capitalization rate, debt service ratio, net operating income, cash flow, cash-on-cash return, return on investment, and exit strategy from the sale transaction values;
>
> [5] determining an investment rating based on the key investment indicators;
>
> [6] selecting one or more of the key investment indicators and investment rating as search criteria;
>
> [7] searching the property information in the database using the search criteria;
>
> [8] presenting the investment property assets matching the search criteria;
>
> [9] selecting one of the investment property assets matching the search criteria to engage in a sale transaction; and
>
> [10] controlling activity within the commerce system by initiating the sale transaction for the selected investment property asset.

THE REJECTIONS

The following rejections are before us for review:

1. Claims 1, 2, 6–9, 11–17, 19, 20, and 26–28 are rejected under 35 U.S.C. § 101 as being directed to ineligible subject matter.

2. Claims 1, 2, 6–9, 11–17, and 19–28 are rejected under 35 U.S.C. § 103(a) as unpatentable over Halpin (US 2006/0190370 A1; pub. Aug. 24, 2006) and Tripp (US 2007/0027787 A1; pub. Feb. 1, 2007).

FINDINGS OF FACT

We have determined that the findings of fact in the Analysis section below are supported at least by a preponderance of the evidence.[1]

ANALYSIS

Rejection under 35 U.S.C. § 101

The Examiner has rejected claims 1, 2, 6–9, 11–17, 19, 20, and 26–28 under 35 U.S.C. § 101 as being directed to an abstract idea that could be performed mentally (Ans. 2, 8–11). The Examiner has also determined that the claimed recitation to the "database" is not limited to a machine and regardless would only be nominal use of technology (Ans. 2, 11, 12).

In contrast, the Appellant argues that the rejection of claim 1 under 35 U.S.C. § 101 is improper because it has a specific practical application and is associated with a machine (App. Br. 8–23).

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[1] *See Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

We agree with the Examiner. Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a "new and useful process, machine, manufacture, or composition of matter." 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: "laws of nature, natural phenomena, and abstract ideas" are not patentable. *See, e.g.*, *Alice Corp. Pty Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014).

In judging whether claim 1 falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court's two-step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the claim is "directed to" a patent-ineligible abstract idea. If so, we then consider the elements of the claim both individually and as "an ordered combination" to determine whether the additional elements "transform the nature of the claim" into a patent-eligible application of the abstract idea. *Id.* This is a search for an "inventive concept" an element or combination of elements sufficient to ensure that the claim amounts to "significantly more" than the abstract idea itself. *Id.* The Court also stated that "the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention." *Id.* at 2358.

Here, we find that the claim is directed to the concept of selecting investment property assets. This is a fundamental economic practice long prevalent in our system of commerce, and is an abstract idea beyond the scope of § 101. Further, the limitations of claim 1 can be performed essentially in a series of mental steps.

We next consider whether additional elements of the claim, both individually and as an ordered combination, transform the nature of the claim into a patent-eligible application of the abstract idea, e.g., whether the claim does more than simply instruct the practitioner to implement the abstract idea using generic computer components. We conclude that it does not. Here, the steps of the claim can be performed largely in a series of mental steps. While claim 1 does require a "database," there is no requirement that the "database" is computer based and it could be a mere collection of data. Regardless, even taking the "database" to be a computer element, it fails to transform the nature of the claim from an abstract idea beyond the scope of § 101. For the reasons above, the rejection of claim 1 and its dependent claims, which were not separately argued, are sustained.

The remaining claims are drawn to similar subject matter, and the Appellant has presented the same or similar arguments for these claims. For the same reasons given above, the rejection of the claims is not sustained as well.

Rejection under 35 U.S.C. § 103(a)

The Appellant argues that the rejection of claim 1 under 35 U.S.C. § 103(a) is improper because the cited prior art fails to disclose claim limitations [1]-[9] as listed in the claim above (App. Br. 36–44).

In contrast, the Examiner has determined that the cited rejection is proper and that the cited claim limitations are found in the prior art references Halpin and Tripp (Ans. 3–7, 12–17).

We agree with the Examiner. We have reviewed both the rejection of record and the arguments put forth by the Appellant in the Appeal Brief. We

agree with and adopt the findings of fact made by the Examiner, and determine that all the argued claim limitations [1]-[9] have been shown in the prior art.

For example, the Appellant argues that claim limitations [1] and [2] are not shown in the prior art (Appeal Br. 36–39). Claim limitations [1] and [2] require:

> [1] collecting property information related to multiple investment property assets from members of the commerce system; [and]
> [2] storing the property information in a database

However, as noted in the rejection, these claimed elements are found in Halpin at paras. 20, 39, and 99 (Ans. 3, 13). Halpin at para. 39 discloses that property data can be entered (collected) and that this can be done for different Candidate Transactions which would be multiple properties. Halpin at para. 20 also discloses that after submittal (collecting), properties (multiple) can be ranked against each other. As the property data is collected and ranked it must be stored at least temporarily in some manner. Thus, the argued claim limitations [1] and [2] have been shown in the prior art as asserted by the Examiner.

Similarly, the Examiner's citations to the argued claim limitations [3]–[9] have also been shown in the prior art, and we agree with and adopt those facts. For this reason, the rejection of claim 1 is sustained.

Independent claims 7, 14, and 21 have claim limitations that are similar to those of claim 1. The Appellant has presented the same or similar arguments for independent claims 7, 14, and 21 (App. Br. 45–56). We agree with the Examiner's findings that the argued claim limitations from claims 7, 14, and 21 are found in the prior art as well as outlined in the Answer at

pages 3–8 and 12–17. For this reason, the rejection of claims 7, 14, and 21 is sustained as well. The Appellant has not presented separate arguments for the dependent claims, and the rejection of these claims is therefore sustained as well.

CONCLUSIONS OF LAW

We conclude that Appellant has not shown that the Examiner erred in rejecting claims 1, 2, 6–9, 11–17, 19, 20, and 26–28 under 35 U.S.C. § 101.

We conclude that Appellant has not shown that the Examiner erred in rejecting claims 1, 2, 6–9, 11–17, and 19–28 under 35 U.S.C. § 103(a).

DECISION

The Examiner's rejection of claims 1, 2, 6–9, 11–17, and 19–28 is sustained.

AFFIRMED